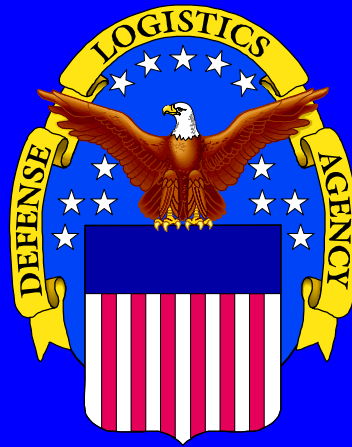
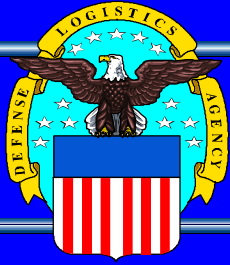


Defense Contract Management Command



The Single Process Initiative *Accelerating the Pace*

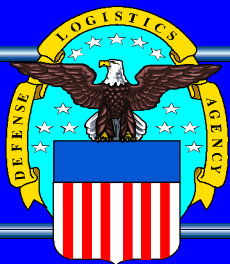
<http://www.dcmc.dcrb.dla.mil>



Acquisition Reform Day II

AGENDA:

- Acquisition Reform Atmosphere
- Overview of SPI -- the First 12 Months
- Accelerating the Pace by...
 - ...Allowing SPI on New Procurements
 - ...Tackling Law & Reg Proposals
 - ...Going After Savings/Cost Avoidance
 - ...Facilitating SPI Between Primes & Subs
 - ...Expanding Management Council's Role
 - ...Increasing Awareness at Working Level
 - ...Sharing Successes
 - ...Building on SPI and Changing the Mindset
- Discussion



Acquisition Reform Day II

Acquisition Reform Atmosphere

GPRA

FASA

FARA

**OSD/Service
PATs**

**FAR/DoD 5000
Rewrites**

NPR/DPR

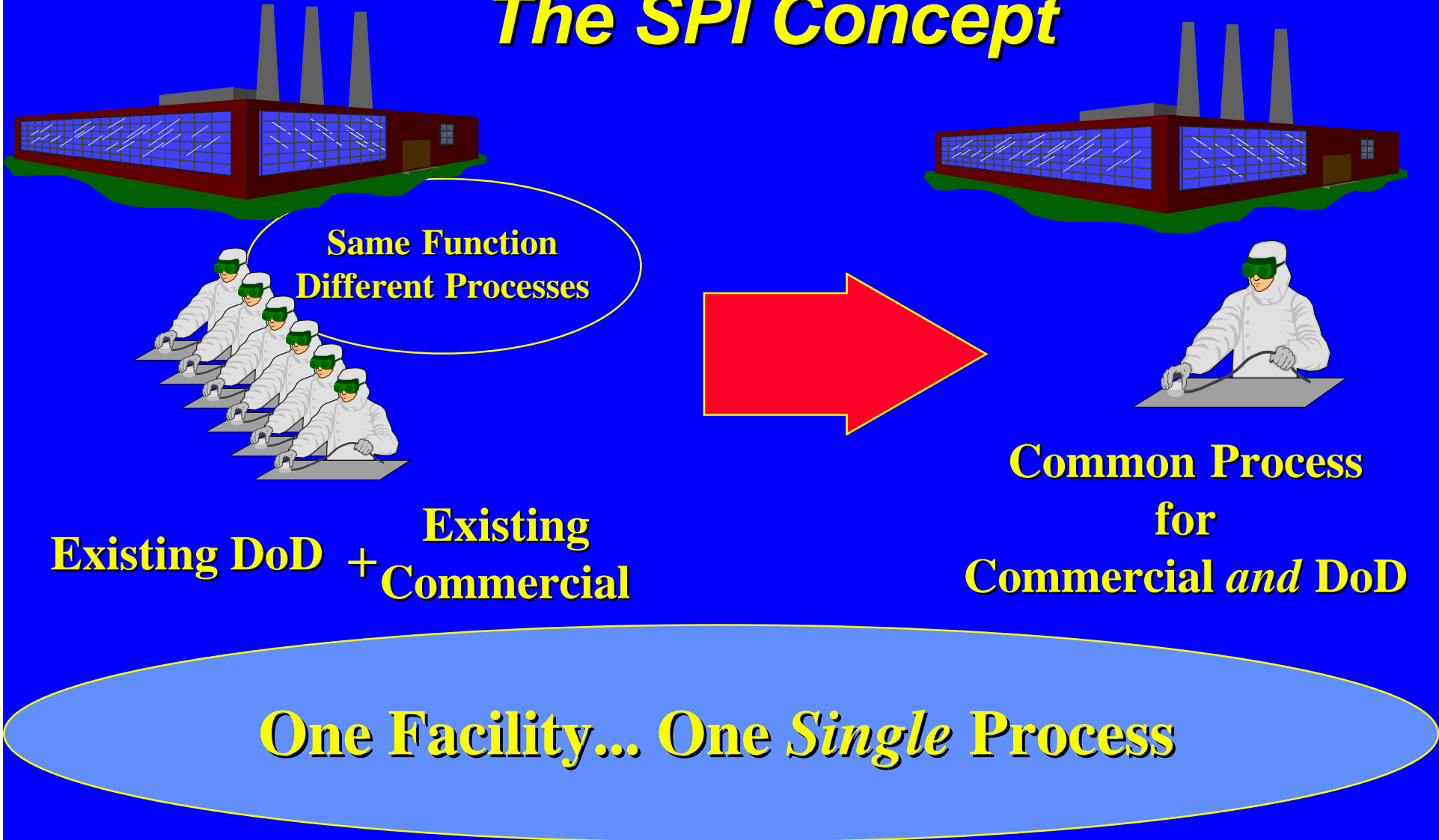
**Specs & Stds
Reform**

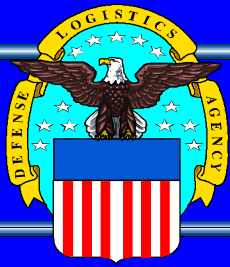
**Single
Process
Initiative**



Acquisition Reform Day II

The SPI Concept

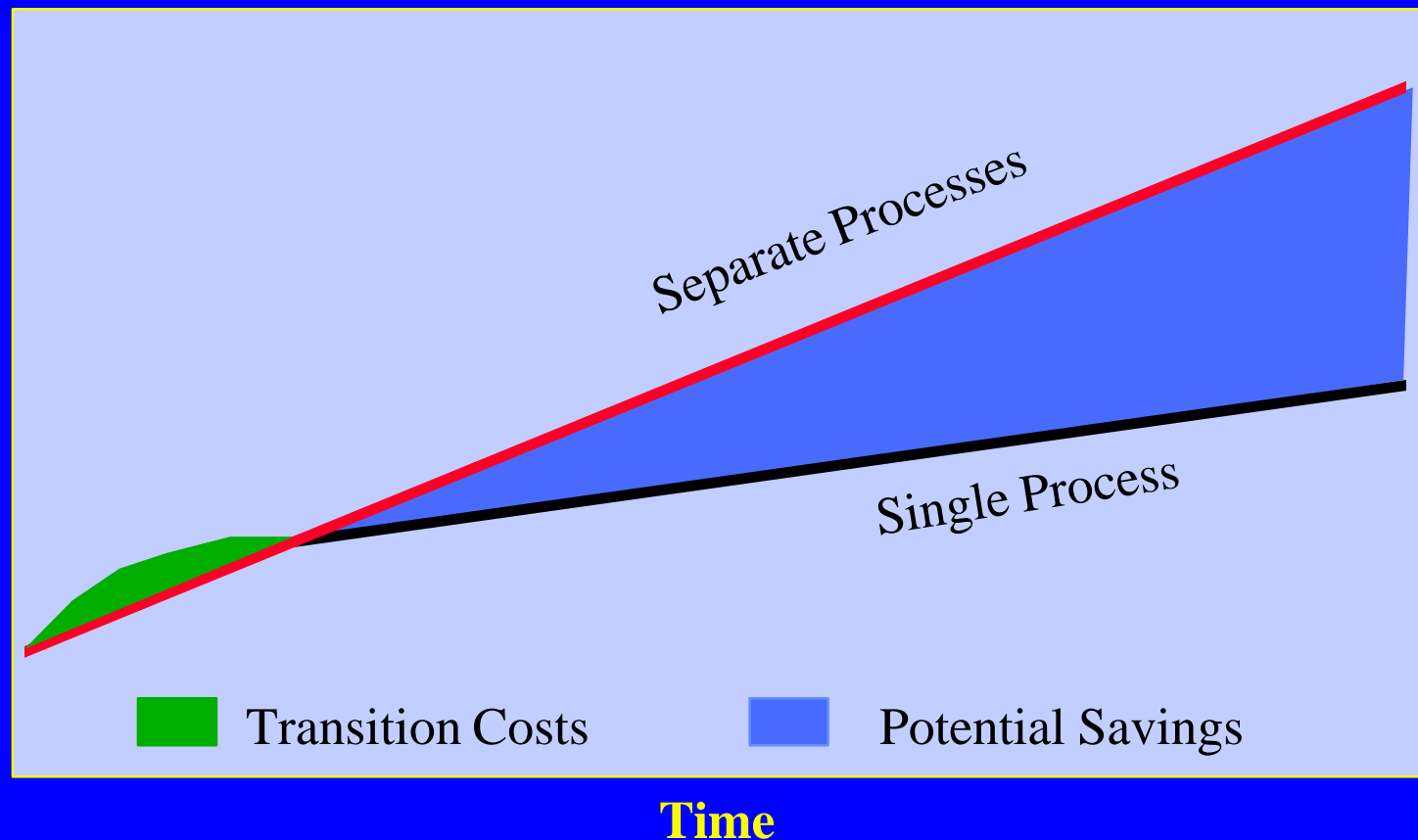




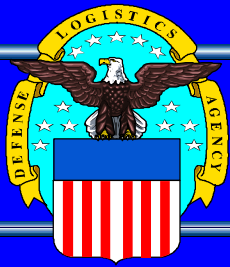
Acquisition Reform Day II

Why Change Existing Contracts?

Cumulative
Costs



Realize Long Term Savings on Existing Contracts



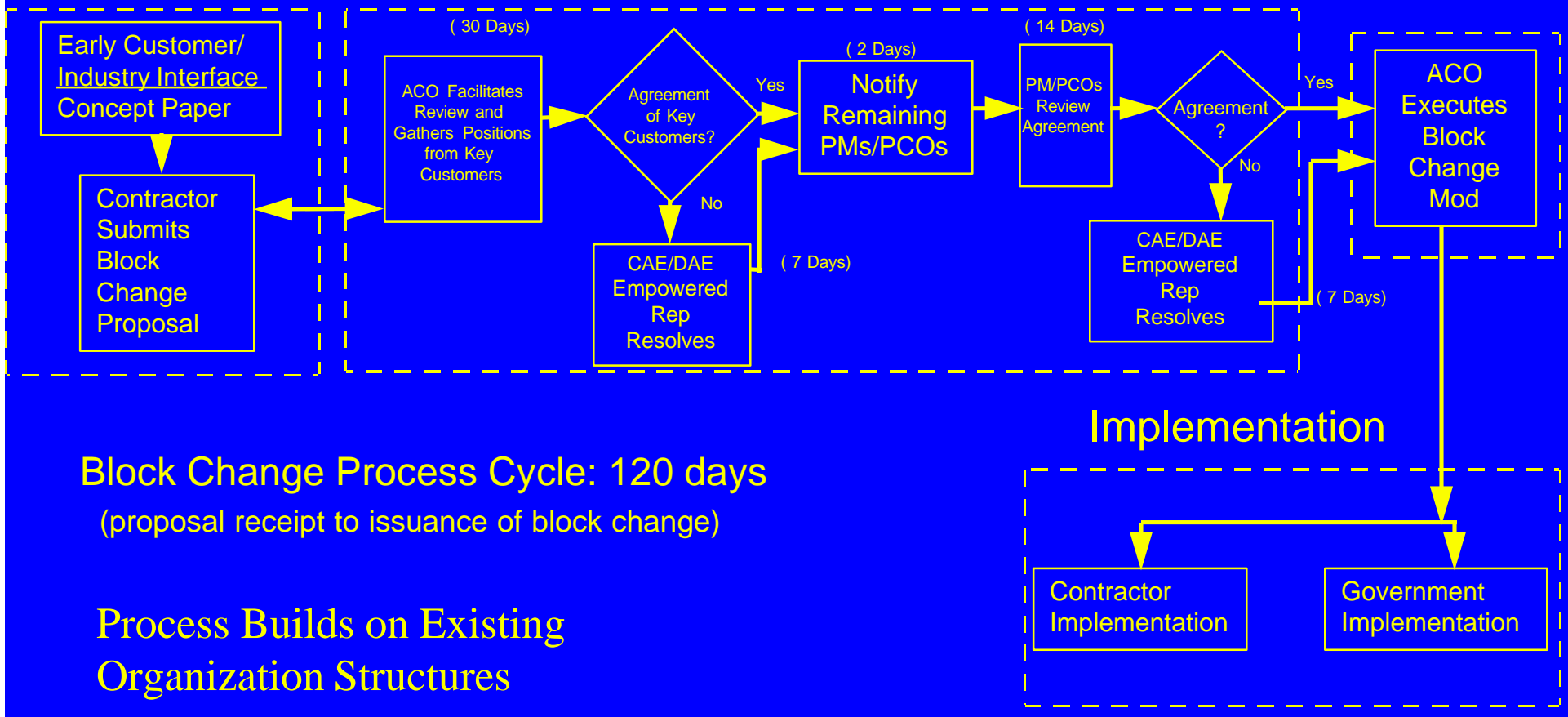
Acquisition Reform Day II

Block Change Process

Proposal Development
30 Days

Approval
60 Days

Contract
Modification
30 Days





Acquisition Reform Day II

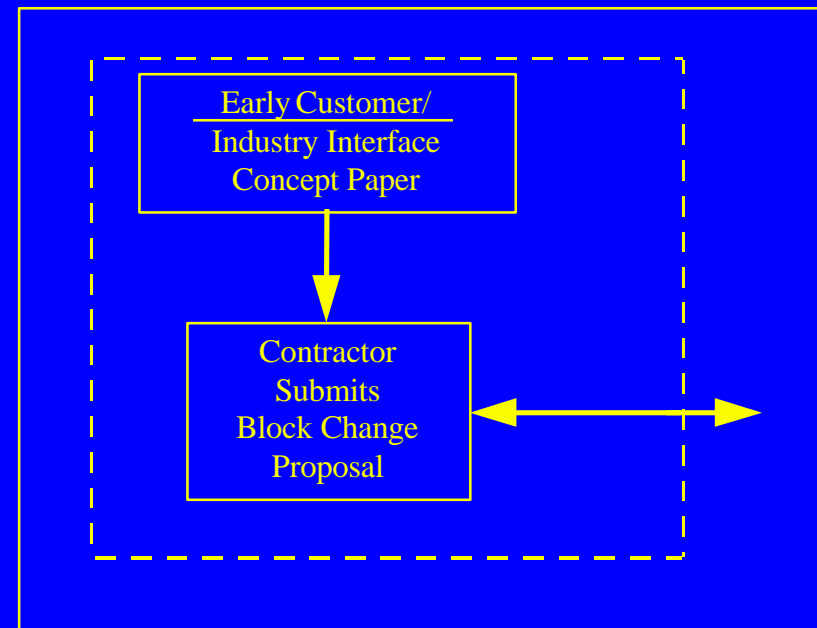
A Four Step Process:

- **Contractor Submits Concept Paper**
- **Management Council Evaluates Concept Paper**
- **Block Changes Are Made to Existing Contracts to Authorize the Use of the Single Process (if management council approves concept paper)**
- **Equitable Adjustments Made to Contracts if Substantial Savings Anticipated From Changes**

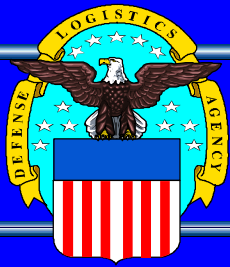


Acquisition Reform Day II

Concept Paper (proposal) Development

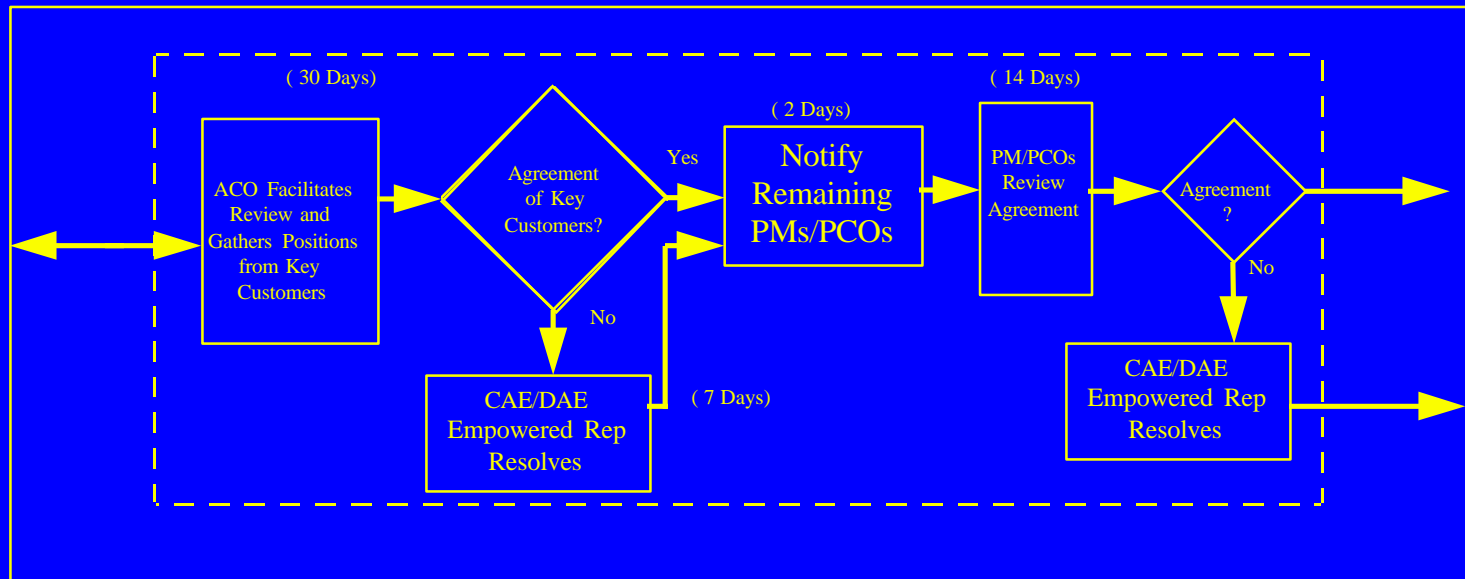


- **Early Customer / Industry Interface**
- **Develop Concept Paper with Cost-Benefit Analysis**
- **Contractor Submits Proposal if Required**
- **Activity Reported Weekly**

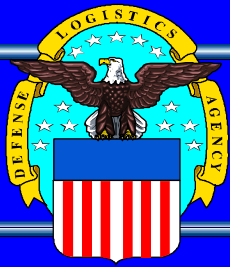


Acquisition Reform Day II

Approval

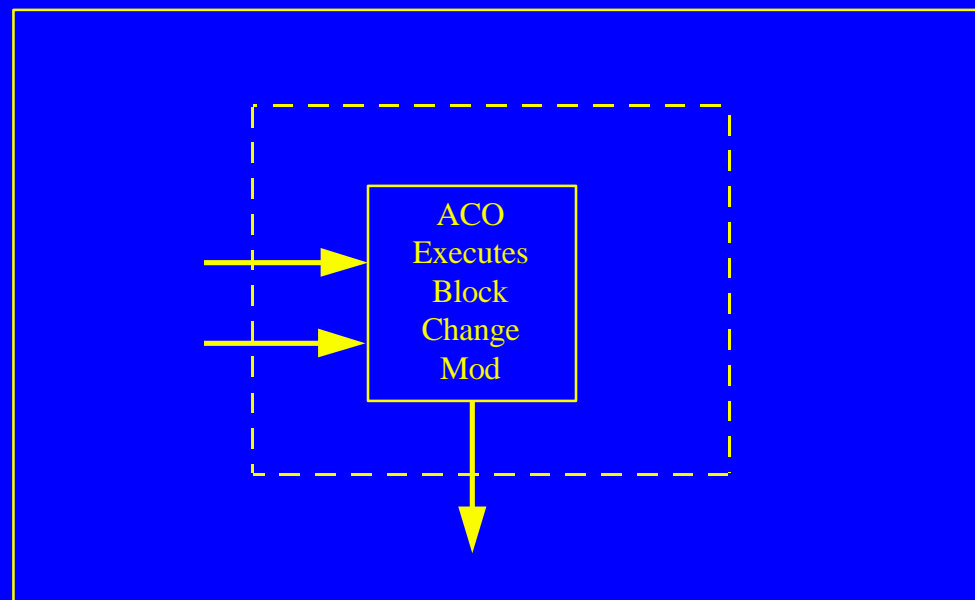


- **Coordinates with Component Team Leaders**
- **Technical Review & Evaluation**
- **SWAT Teams Assist as Required**
- **CAEs or DAE Resolves Disputes**



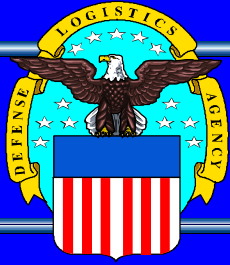
Acquisition Reform Day II

Modification



➤ ACO Executes Block Change Modification

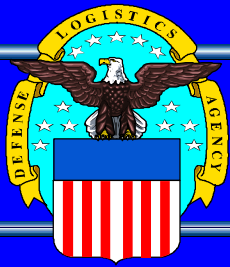
Negotiate Consideration
if Immediate &
Significant Benefit



Acquisition Reform Day II

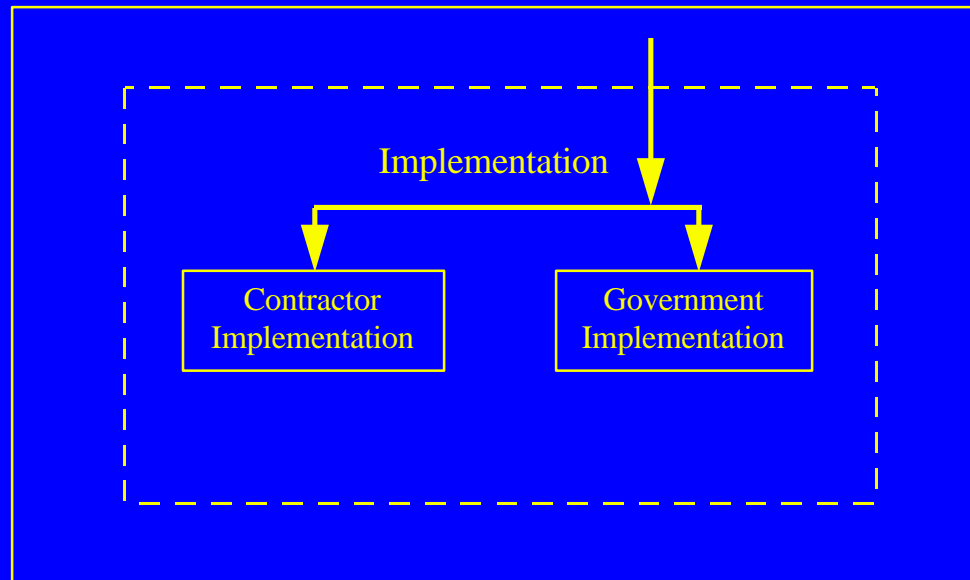
Consideration:

- **Costs To Execute Common Process Usually Occur Early**
 - **Net Cost Savings May Result & Must Be Reviewed**
 - **Cost Avoidances Follow, May Be Hard To Quantify**
- **ACOs Must Address Consideration**
 - **ACO Determines Significance & Documents Decision**
 - **Required When Significant Savings Result**
 - **Can Be Monetary Or Non-Monetary**
 - **Focus On Fixed Price Contracts**
 - **Allocation Of Compensation Can Be Tricky**



Acquisition Reform Day II

Implementation



- **New Process Implemented**
- **Government/Contractor Activity Adjusted Accordingly**
- **Final Report Summarizes Lessons Learned & Benefits**
- **Realize Savings/Cost Avoidance**

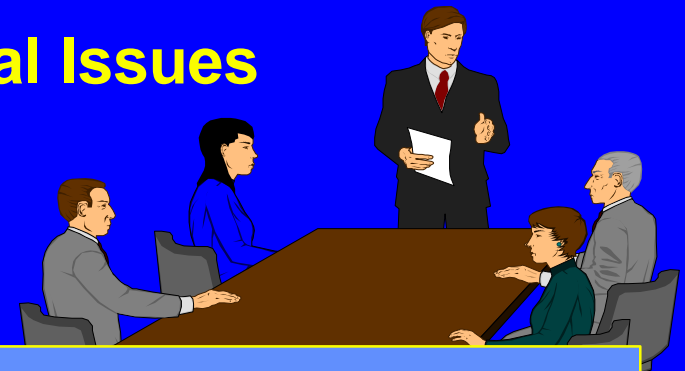


Acquisition Reform Day II

The Management Council:

- Key Customers, Contractor, DCMC & DCAA
 - Identifying Processes & Products at Risk
 - Sponsoring Process Improvement Teams
 - Evaluating Concept Papers
 - Elevating Regulatory & Legal Issues

Key to SPI
Implementation



Effective Communication Critical to Success!
The Local Management Council Makes This Possible



Acquisition Reform Day II

Component Team Leaders:

➤ Responsibilities

- Member Of Govt/Contractor Management Council**
- Coordinates & Gains Component Consensus**
- Elevates Disputes**

➤ Guidance Issued

- DCMC SPI Information Sheet**
- Air Force, Navy, Army, DLA & NASA Policy Letters**

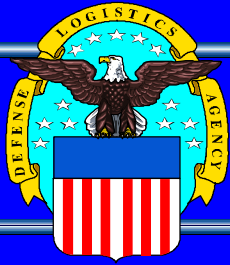


Acquisition Reform Day II

SPI - The First 12 Months

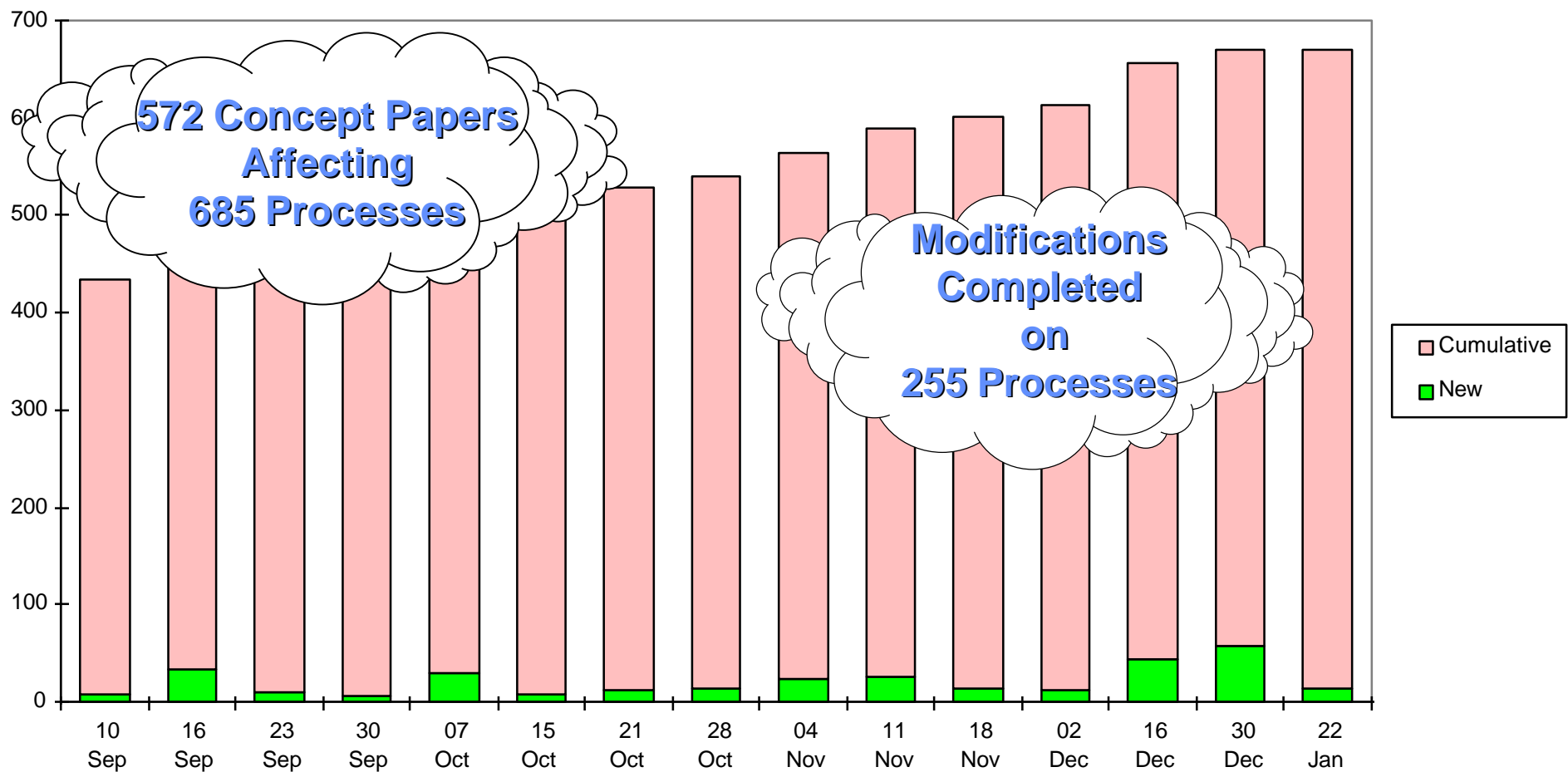
**We've Taken the First Steps BUT it's
Only the Beginning!**

Interest is *HIGH* -- SPI Activity is Increasing

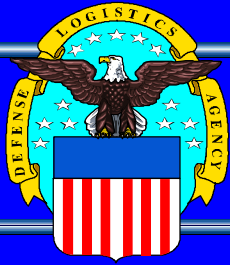


Acquisition Reform Day II

Proposed Process Changes Submitted

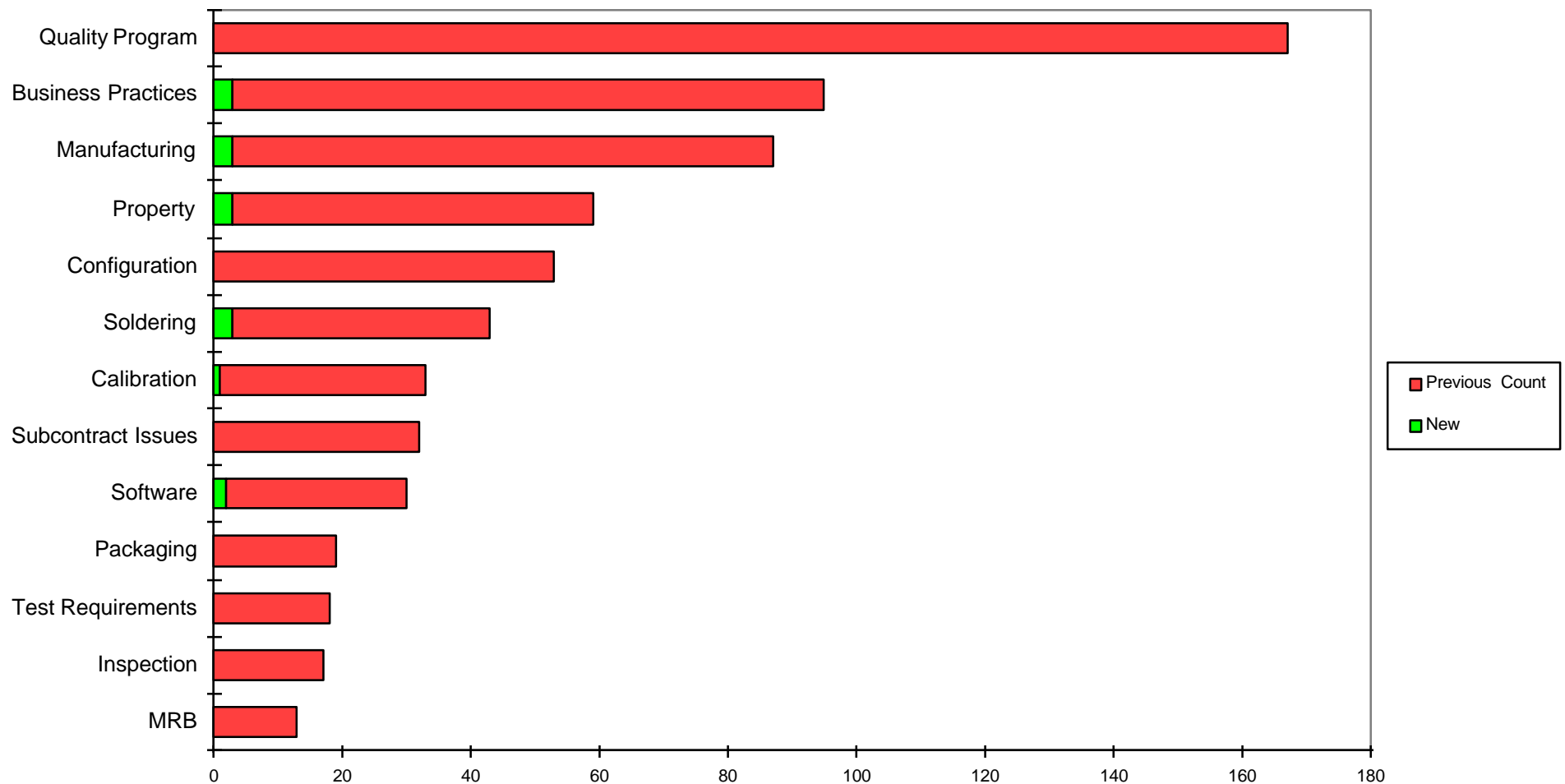


As of: 22 Jan 97

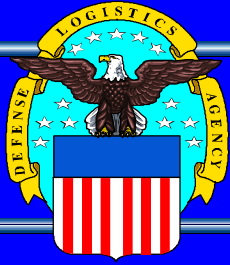


Acquisition Reform Day II

Most Frequently Proposed Process Changes



As of: 22 Jan 97

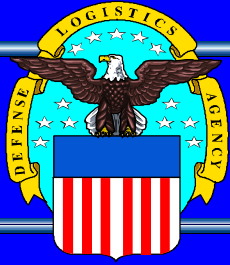


Acquisition Reform Day II

*We're Out of the Gate BUT We're Not
Taking Advantage of Every Opportunity*

- Only 28 of the Top 80% of DoD Contractors are Participating in SPI
- IPT Formed to Target Contractors and Processes Representing High Return on Investment

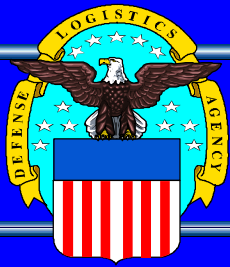
Accelerate the Pace By...



Acquisition Reform Day II

...Allowing SPI on New Procurements

- **New Procurements Should Allow Processes Implemented Through SPI**
- **Navy and NASA Have Issued Contract Language Permitting the Use of Approved Single Processes When Technically Acceptable**
- **SPI Communication IPT Recommends Similar Language for DoD-Wide Implementation**



Acquisition Reform Day II

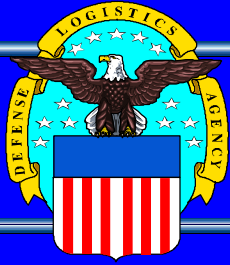
...Tackling Law & Reg Proposals

➤ What We Need -- A Complete Package

- Cost/Benefits Analysis -- Cost, Schedule, or Performance**
- Describe Advantages and Proposed Reg Language**

➤ What We are Doing

- Consolidating Cases for DAR Council & Legislative Proposals**
- Posting Proposal Summaries and Reinvention Lab Successes on the Home Page**



Acquisition Reform Day II

...Going After Savings/Cost Avoidance

➤ Cost/Benefits Analysis

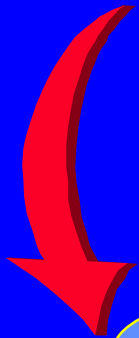
- Must Be Included in All Concept Papers**
- DCAA Must Review**
- CAOs will Capture Estimated Cost Savings/Cost Avoidance in Weekly Reports**



Acquisition Reform Day II

...Facilitating SPI Between Primes & Subs

- **USD(A&T) Memo of 3 Sep 96 -- *A First Step!***
- **IPT Formed on 4 Nov 96**
- **Developed Model Implementation Strategy**



**Industry Associations Must
Get Involved**



Acquisition Reform Day II

...Expanding Management Council's Role

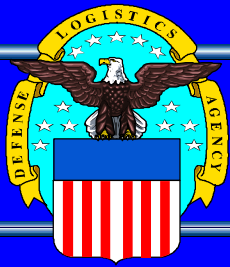
- **Integrating Government Audits/Reviews**
- **Addressing Pollution Prevention Issues**
- **Resolving Any Other Issues of Mutual Concern**



Acquisition Reform Day II

...Increasing Awareness at Working Level

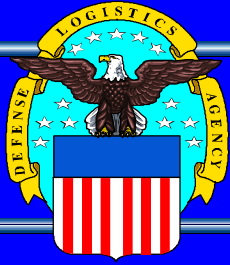
- Roadshows and Implementation Training
- DAU Course Now Being Developed
- DSMC PM Course Elective --7 Nov 96
- Eliciting Industry Association Support



Acquisition Reform Day II

...Sharing Successes

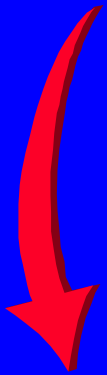
- **Essential to Building Synergy**
- **Contractor Participation is Voluntary**
 - **Non-Proprietary Information Only**
 - **Describe Original System and Approved SPI Concept**
 - **Include Contractor POC for SPI and Phone Number**
- **CAOs Submit With Weekly Report**
- **Information Posted to DCMC's Home Page**



Acquisition Reform Day II

...Building on SPI and Changing the Mindset

- **Allows Us to Build Confidence in Commercial Processes**
- **Use SPI to ACCELERATE the Acquisition Process**



**We've Been Given an Opportunity,
We Must Now Leverage It**